

Message Text

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ACTION TRSE-00

INFO OCT-01 EA-10 ISO-00 SP-02 USIA-06 AID-05 EB-08
NSC-05 SS-15 STR-07 OMB-01 CEA-01 CIAE-00 COME-00
FRB-03 INR-10 NSAE-00 XMB-02 OPIC-03 LAB-04
SIL-01 L-03 H-01 IO-13 PA-01 NEA-10 /112 W
-----085592 130042Z /63

R 100839Z MAR 78

FM AMEMBASSY MANILA
TO SECSTATE WASHDC 2752

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USADB

PASS TREASURY FOR SHERK

FOR NAC AGENCIES

E.O. 11652: N/A
TAGS: EAID, EFIN

SUBJECT: RECIPROCAL PROCUREMENT ARRANGEMENT WITH INTER
AMERICAN DEVELOPMENT BANK

1. THE ADB MANAGEMENT IS RECOMMENDING THAT THE BOARD ALLOW
MANAGEMENT TO POLITELY DECLINE AN IDB PROPOSAL WHEREBY
DEVELOPING MEMBER COUNTRIES OF THE ADB WOULD BE ELIGIBLE
SOURCE COUNTRIES FOR THE PROCUREMENT OF GOODS AND SERVICES
UNDER IDB LOANS, AND IN TURN DEVELOPING MEMBER COUNTRIES OF
IDB WOULD BE ELIGIBLE SOURCE COUNTRIES FOR PROCUREMENT UNDER
ADB LOANS. MANAGEMENT WILL ASSUME THEIR RECOMMENDATION IS
ACCEPTABLE TO BOARD IF NO OBJECTIONS ARE REGISTERED BY MARCH
24.

2. ADB RECOGNIZED THEORETICAL ECONOMIC ADVANTAGES OF SUCH
AN ARRANGEMENT BUT FEELS THAT THE AGREEMENT WOULD NOT BE OF
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MUTUAL BENEFIT, I.E. THE DEVELOPING MEMBER COUNTRIES OF THE
IDB WOULD BE THE CHIEF BENEFICIARIES. SECONDLY THE ADB FEELS
THAT ITS ARTICLES OF AGREEMENT DO NOT ALLOW FOR THE
ESTABLISHMENT OF THIS TYPE OF ARRANGEMENT. UNDEJSTHE
PRESENT SYSTEM A NON-MEMBER COUNTRY IS ELIGIBLE AS A
SOURCE OF PROCUREMENT IN ADB FINANCED PROJECTS ONLY IF
THE COUNTRY HAS PROVIDED THE ADB WITH QUOTE A SIGNIFICANT

AMOUNT OF FINANCING UNQUOTE.

3. THE DEPUTY GENERAL COUNSEL STATED THAT THE LEGAL DIFFICULTIES ARISING FROM THE IDB PROPOSAL ARE SUFFICIENTLY SERIOUS AS TO PREVENT ITS CONSIDERATION REGARDLESS OF ECONOMIC ASPECTS. ACCORDING TO THE DEPUTY GENERAL COUNSEL A CHANGE IN ADB'S ARTICLES OF AGREEMENT WOULD BE REQUIRED BEFORE THE IDB'S PROPOSAL, AS CURRENTLY PRESENTED, COULD BE CONSIDERED.

4. GIVEN THE LEGAL DIFFICULTIES INVOLVED, USADB RECOMMENDS ACCEPTANCE OF ADB MANAGEMENT'S POSITION.

5. DOCUMENT R19-78 DESCRIBING RECIPROCAL PROCUREMENT ARRANGEMENT WITH THE INTER AMERICAN DEVELOPMENT BANK POUCHED MARCH 9.
EDMOND

NOTE BY OCT: MESSAGE DELAYED IN TRANSMISSION.

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NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROCUREMENT, DEVELOPMENT BANKS, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 mar 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANILA03902
Document Source: CORE
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Drafter: n/a
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780111-0084
Format: TEL
From: MANILA USADB
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780383/aaaacsdf.tel
Line Count: 81
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e4a7acc9-c288-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3374667
Secure: OPEN
Status: NATIVE
Subject: RECIPROCAL PROCUREMENT ARRANGEMENT WITH INTER AMERICAN DEVELOPMENT BANK
TAGS: EAID, EFIN, IADB
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/e4a7acc9-c288-dd11-92da-001cc4696bcc
Review Markings:
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